

Virginia Department of Mines, Minerals and Energy  
Virginia Gas and Oil Board

Minutes and results of hearing, September 16, 2003

Board Members Present: Mr. Brent, Mr. Harris, Mr. Mitchell, Mr. Wampler

1. The Virginia Gas and Oil Board considered a petition from CNX Gas Company, LLC for pooling of coalbed methane unit AW-102, Hurricane District, Buchanan County, Virginia. VGOB-03-0819-1165. Continued from August.

In the AW-102 unit, the operator controls 100% of the coalbed methane interests and 99.5% of the gas interests, and seeks to pool the remaining 0.5% of the gas interests. Unleased gas acreage subject to pooling totals 0.36 net acres in three tracts with over 50 unleased owners. There are conflicting claimants and unlocated owners subject to escrow and conflicting claimants subject to existing royalty split agreements. A permit to drill the unit was issued on November 20, 2003. Continued to October hearing at the request of the applicant.

2. The Virginia Gas and Oil Board considered a petition from Equitable Production Company for a well location exception for proposed well PD-550426, Ervinton District, Dickenson County, Virginia. VGOB-03-0916-1178.

The applicant seeks an exception in order to drill a conventional well closer to an existing well than allowed under statewide spacing. The well is to be 370 feet closer to existing gas well P-435 than the 2500 feet mandated by spacing. The exception is needed to prevent loss of resources. A permit application has been submitted. The location exception was approved.

3. The Virginia Gas and Oil Board considered a petition from Equitable Production Company for pooling of coalbed methane gas unit PC-551120, Ervinton District, Dickenson County, Virginia. VGOB-03-0916-1179.

In the PC-551120 unit, the operator controls 100% of the coalbed methane interests and 98.7% of the gas interests, and seeks to pool the remaining 1.3% of the gas interests. Unleased gas acreage subject to pooling totals 0.76 net acres in one tract with unleased and unlocated owners. There are conflicting claimants and unlocated owners subject to escrow. No permit application has been filed. Pooling was approved.

4. The Virginia Gas and Oil Board considered a petition from Equitable Production Company for pooling of conventional gas unit P-550513, Willis District, Dickenson County, Virginia. VGOB-03-0916-1180.

In the proposed P-550513 conventional gas unit, the applicant controls 95.5% of the oil and gas interests, and seeks to pool the remaining 4.5% of the interests. Unleased acreage subject to pooling totals 5.0 net acres in one tract having six unleased owner. There are unlocated owners subject to escrow. No permit application has been submitted. Pooling was approved.

5. The Virginia Gas and Oil Board considered a petition from Equitable Production Company for pooling of conventional gas unit V-502666, Gladeville District, Wise County, Virginia. VGOB-03-0916-1181.

In the proposed V-502666 conventional gas unit, the applicant controls 67.9% of the oil and gas interests, and seeks to pool the remaining 32.1% of the interests. Unleased acreage subject to pooling totals 36.2 net acres in two tracts having two unleased owner. There are no unlocated owners subject to escrow. A permit to drill the unit was issued on August 25, 2003. Pooling was approved.

6. The Virginia Gas and Oil Board considered a petition from Equitable Production Company for pooling of coalbed methane gas unit VC-535731, Ervinton District, Dickenson County, Virginia. VGOB-03-0916-1182.

In the VC-535731 unit, the operator controls 100% of the coalbed methane interests and 51.9% of the gas interests, and seeks to pool the remaining 48.1% of the gas interests. Unleased gas acreage subject to pooling totals 28.3 net acres in one tract with unleased and unlocated owners. There are conflicting claimants and unlocated owners subject to escrow. A permit to drill the unit was issued on August 29, 2003. Pooling was approved.

7. The Virginia Gas and Oil Board considered a petition from Equitable Production Company for a well location exception for proposed well V-502355, Lipps District, Wise County, Virginia. VGOB-03-0916-1183. The applicant seeks an exception in order to drill a conventional well closer to two existing wells than allowed under statewide spacing. The proposed well is to be 64 feet closer to existing gas well V-2337 and 466 feet closer to existing gas well V-2356 than the 2500 feet mandated by spacing. The exception is needed to prevent loss of resources. A permit application has been submitted. The location exception was approved.

8. The Virginia Gas and Oil Board considered a petition from Equitable Production Company for a well location exception for proposed well V-502361, Floyd District, Scott County, Virginia. VGOB-03-0916-1184. The applicant seeks an exception in order to drill a conventional well closer to an existing well than allowed under statewide spacing. The well is to be 389 feet closer to existing gas well V-2691 than the 2500 feet mandated by spacing. The exception is needed to prevent loss of resources. No permit application has been submitted. The location exception was approved.

9. The Virginia Gas and Oil Board considered a petition from CNX Gas Company, LLC for pooling of coalbed methane gas unit AV-99, Hurricane District, Buchanan County, Virginia. VGOB-03-0916-1185.

In the AV-99 unit, the operator controls 100% of the coalbed methane interests and 86.7% of the gas interests, and seeks to pool the remaining 13.3% of the gas interests. Unleased gas acreage subject to pooling totals 6.9 net acres in seven tracts with five unleased owners. There are conflicting claimants subject to escrow and owners subject to existing royalty split agreements. A permit to drill the unit was issued on 5/22/03 and a well has been drilled and completed. Continued to the October hearing at the direction of the Board.

10. The Virginia Gas and Oil Board considered a petition from CNX Gas Company, LLC for pooling of coalbed methane gas unit AW-117, New Garden District, Russell County, Virginia. VGOB-03-0916-1187.

In the AW-117 unit, the operator controls 92.6% of the coalbed methane interests and 75.9% of the gas interests, and seeks to pool the remaining 7.4% of the coalbed methane interests and 24.1% of the gas interests. Unleased coalbed methane acreage subject to pooling totals 4.33 net acres in five tracts with 27 unleased owners, and gas acreage subject to pooling totals 14.2 net acres in nine tracts with 35 unleased owners. There are conflicting claimants and unlocated owners subject to escrow and conflicting claimants subject to existing royalty split agreements. A permit application has been submitted. Pooling was approved.

11. The Virginia Gas and Oil Board considered a petition from CNX Gas Company, LLC for pooling of coalbed methane gas unit BA-100, Hurricane District, Buchanan County, Virginia. VGOB-03-0916-1189.

In the BA-100 unit, the operator controls 100% of the coalbed methane interests and 58.5% of the gas interests, and seeks to pool the remaining 41.5% of the gas interests. Unleased gas acreage subject to pooling totals 24.4 net acres in three tracts with five unleased owners. There are conflicting claimants subject to escrow and owners subject to existing royalty split agreements. A permit to drill the unit was issued on 3/28/03. Pooling was approved.

12. The Virginia Gas and Oil Board considered a petition from CNX Gas Company, LLC for creation CNX Longhole Unit 1 for the production of coalbed methane gas, Garden District, Buchanan County, Virginia. VGOB-03-0916-1190.

The applicant seeks authorization for a 640-acre production unit to be created by combining eight existing 80-acre Oakwood Field units. After mine entries are completed, horizontal holes will be drilled into the remaining coal block for purposes of de-gasification and production. Production will be piped to and produced from one or more wells including existing well VS-8. A provisional unit was authorized.

13. The Virginia Gas and Oil Board considered a petition from CNX Gas Company, LLC for pooling of coalbed methane gas unit U-35, Garden District, Buchanan County, Virginia. VGOB-03-0916-1191.

In the U-35 unit, the operator controls 100% of the coalbed methane interests and 99.99% of the gas interests, and seeks to pool the remaining 0.01% of the gas interests. Unleased gas acreage subject to pooling totals 0.01 net acres in one tract with one unleased owner. There are conflicting claimants subject to escrow and owners subject to existing royalty split agreements. A permit to drill the unit was issued on 10/27/97 and a well was drilled and completed in December of 1997. Pooling was approved.

14. The Virginia Gas and Oil Board considered a petition from Equitable Production Company for pooling of conventional gas unit V-535456, Kenady District, Dickenson County, Virginia. VGOB-03-0916-1192.

In the proposed V-535456 conventional gas unit, the applicant controls 56.15% of the oil and gas interests, and seeks to pool the remaining 43.85% of the interests. Unleased acreage subject to pooling totals 49.4 net acres in five tracts having five unleased owner. There are no unlocated owners subject to escrow. No permit application has been submitted. Pooling was approved.

15. The Virginia Gas and Oil Board considered a petition from Equitable Production Company for pooling of conventional gas unit V-503179, Sandlick District, Dickenson County, Virginia. VGOB-03-0916-1193.

In the proposed V-503179 conventional gas unit, the applicant controls 52.2% of the oil and gas interests, and seeks to pool the remaining 47.7% of the interests. Unleased acreage subject to pooling totals 53.8 net acres in five tracts having 35 unleased owner. There are unlocated owners subject to escrow. No permit application has been submitted. Pooling was approved.

16. The Virginia Gas and Oil Board considered a petition from Equitable Production Company for pooling of coalbed methane gas unit VC-505218, Kenady District, Dickenson County, Virginia. VGOB-03-0916-1194.

In the VC-505218 unit, the operator controls 100% of the coalbed methane interests and 87.0% of the gas interests, and seeks to pool the remaining 13.0% of the gas interests. Unleased gas acreage subject to pooling totals 7.6 net acres in four tracts with four unleased owners. There are conflicting claimants subject to escrow. No permit application has been submitted. Pooling was approved.

17. The Virginia Gas and Oil Board considered a petition from Equitable Production Company for pooling of coalbed methane gas unit VC-503599, Hurricane District, Buchanan County, Virginia. VGOB-03-0916-1195.

In the VC-503599 unit, the operator controls 92.4% of the coalbed methane and gas interests, and seeks to pool the remaining 7.6% of the interests. Unleased acreage subject to pooling totals 4.5 net acres in one tract with 11 unleased owners. There are no conflicting claimants subject to escrow. A permit to drill the unit was issued on 8/1/03. Pooling was approved.

18. The Virginia Gas and Oil Board considered a petition from Equitable Production Company for a well location exception for proposed well V-535428, Clintwood District, Dickenson County, Virginia. VGOB-03-0916-1196. The applicant seeks an exception in order to drill a conventional well closer to an existing well than allowed under statewide spacing. The well is to be 49 feet closer to existing gas well 132549 than the 2500 feet mandated by spacing. The exception is needed to prevent loss of resources. No permit application has been submitted. The location exception was approved.

19. The Virginia Gas and Oil Board considered a petition from Equitable Production Company for pooling of conventional gas unit V-535428, Clintwood District, Dickenson County, Virginia. VGOB-03-0916-1197.

In the proposed V-535428 conventional gas unit, the applicant controls 99.3% of the oil and gas interests, and seeks to pool the remaining 0.7% of the interests. Unleased acreage

subject to pooling totals 0.8 net acres in one tract having two unleased owner. There are no unlocated owners subject to escrow. No permit application has been submitted. Pooling was approved.

The deadline for filing of petitions to the Board for the October 2003 hearing is 5 p.m., September 19, 2003 with the hearing scheduled for 9 a.m. on Tuesday, October 21, 2003.